(*b*) In paragraph *three* after the words "seven days" the following words shall be inserted, namely, "or within four days in the case of asses impounded."

Statement of objects and reasons.

Under Section 14 of the Cattle Trespass Act, 1871, asses impounded in the cattle pounds of the local bodies shall have to be disposed of by auction only after a detention of 14 days. It is found by experience that such a procedure results in loss especially to the municipal councils concerned, the realisations by the sale of the impounded asses after the prescribed period of 14 days being considerably less than the feeding charges incurred by the local body during the period. In order to overcome this difficulty, it is proposed to reduce the period of detention of asses in pounds from 14 days to 7 days. The Bill is intended to give effect to this decision.

No. 975—*L. C., dated Bangalore the* 11*th November* 1938.

Under Rule 8 of the rules for the conduct of business of the Mysore Legislative Council, the accompanying Bill to provide for the establishment and better regulation of Agricultural Markets in Mysore is published for general information with the statement of objects and reasons.

By Order,
A. SUNDARARAJA RAO,
Secretary,
Mysore Legislative Council.

Bill to provide for the establishment and the better regulation of Agricultural Markets in Mysore.

Preamble.—Whereas it is expedient to provide for the establishment of open markets for the purchase and sale of cotton and of other agricultural produce in the State and for the better regulation of such markets: It is hereby enacted as follows.—

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1. *Short Title.*—This Act may be called the Mysore Agricultural Produce Market Act, 193—.

2. *Extent and Commencement.*—It extends to the whole of Mysore. It shall come into force on such date as the Government may, by notification in the official Gazette, appoint.

3. *Definitions.*—In this Act, unless there is anything repugnant in the subject or context :—

(*a*) " Agricultural Produce " means any produce of agriculture or horticulture and includes all produce of animals and their hides, skins and wool, and any article of food or drink wholly or partially manufactured from agricultural produce and declared by the Government of His Highness the Maharaja of Mysore by notification in the official Gazette to be agricultural produce for the purpose of this Act.

(*b*) " Cotton " includes ginned cotton, unginned cotton and cotton waste.

(*c*) " Market " means a market established under Section 4.

(*d*) " Grower of cotton or other agricultural produce " shall not include a dealer or broker in cotton or other agricultural produce although such a person may grow the same. If a question arises whether any person is a grower or not for the purpose of this Act, the decision of the deputy commissioner of the district in which the person permanently resides shall be final.

(*e*) " Local body " means the district board, municipal committee or a union board, duly constituted, as the case may be.

(*f*) " Notified area " means an area notified under Section 4.

(*g*) " Prescribed " means prescribed by the rules or the bye-laws under this Act.

4. (1) *Notification regarding the establishment of an Agricultural Produce or Cotton Market.*—The Government may, after consulting the district board and such other local authorities as they deem necessary or upon a representation made by such local authorities, by notification in the official Gazette, declare that any place shall be a market established under this Act either for agricultural produce or for cotton or for both.

(2) Every such notification shall define the limits of the markets so established, and may, for the purposes

of this Act, include within such limits such local area as the Government may prescribe.

5. *The Market Committee.*— For every market there shall be a market committee. The market committee shall be constituted as prescribed and shall consist of not less than twelve and not more than sixteen members. Of these, not less than half shall be persons elected by or nominated from among the growers of agricultural produce or cotton of such area as the Government may prescribe, one shall be a member nominated by the Government, one shall be elected by the district board of the district in which the market for cotton or agricultural produce is situated, one by the municipality, if any, of the area in which the market is situated, and the remainder shall be elected by the traders in the market in such manner as may be prescribed.

It shall be the duty of the market committee to enforce the provisions of this Act and the rules and bye-laws made thereunder in such notified area, for the purpose of regulating the purchase and sale of agricultural produce.

6. *Rules.*—(1) The Government may, either generally, or specially for any market or group of such markets, make rules consistent with this Act for the purpose of the management and regulation of such markets under this Act.

(2) In particular, and without prejudice to the generality of the foregoing power such rules may provide for or regulate :—

(i) the election and nomination of members of the market committee, the number of members to be nominated or elected by such of the bodies or groups of individuals referred to in Section 5 and the manner of nomination or election, the preparation and revision of lists of voters from time to time, the payment of all expenditure in connection with or incidental to such nomination or election and the terms of office of such members ;

(ii) the powers to be exercised by the market committee ;

(iii) the election of the chairman of such committee and his term of office ;

(iv) the filling of casual vacancies in the offices of members or in the office of the chairman of the committee;

(v) the management of the market and the prescribing of the fees by the market committee, and, subject to the provisions of this Act, the collection and disposal of such fees;

(vi) the issue by the market committee of licences to brokers, weighmen, measurers, surveyors and warehousemen and other persons using the market, the form in which and the conditions under which such licences shall be issued, and the fees to be charged for such licences;

(vii) the place or places at which cotton or agricultural produce shall be weighed or measured and the kind and description of scales, weights and measures to be used at such place or places;

(viii) the periodical inspection, verification and correction of all scales, weights and measures in use in the market;

(ix) the trade allowances which may be made or received by any person in any transaction in an agricultural produce in a market;

(x) the provision of any facilities for the settlement of any dispute between a buyer and a seller of any agricultural produce in the market or their agents including disputes regarding the quality or weight of the cotton or agricultural produce, the price or rate to be paid, the allowances for wrappings, dirt or impurities or deductions for any cause;

(xi) the prohibition of brokers from acting on behalf on both the buyer and seller in any transaction;

(xii) the manner in which the auctions shall be conducted and bids made and accepted in any market;

(xiii) the provision of storage arrangements for cotton and agricultural produce brought into the market and charges to be levied for the same;

(xiv) the preparation of the plans and estimates for works proposed to be constructed partly or wholly at the expense of the market committee, and the grant of sanction to such plans and estimates;

(xv) the form in which the accounts of the market committee shall be kept, the manner in which they shall be audited, and the time or times at which they shall be published as also the charges, if any, to be made for such audit;

(xvi) the preparation of an annual budget and its submission for sanction and reports and returns which shall be furnished by the market committee.

(xvii) the disposal of any surplus funds of the market committee;

(xviii) generally for the guidance of the market committee.

(3) Any such rules, may, when necessary, provide that any contravention thereof or of any of the conditions of any license issued thereunder shall, on conviction by a magistrate, be punishable with fine which may extend to five hundred rupees.

(4) (*a*) All rules made under this Section shall be subject to previous application.

(*b*) Any rule, shall, however, be liable to be rescinded or modified, subject to previous publication.

7. *Bye-laws.*—Subject to any rules made by the Government under the last preceding Section and with the previous sanction of such officer as may be appointed by Government in this behalf the market committee may, in respect of the market under its management, make bye-laws for the regulation of the business and the conditions of trading in such market and may provide that contravention thereof shall, on conviction by a magistrate, be punishable with fine which may extend to fifty rupees.

8. *Sub-committees and Joint Committees and Delegation of Powers.*—The market committee may appoint three or more of its members to be a sub-committee or to be a joint committee for the conduct of any work or works or to report on any matter or matters, and may delegate to any

one or more of its members such of its own powers as may be necessary.

(9) (1) *Appointments and Salaries of Servants of the Market Committee.*—Subject to such rules as may be made by the Government in this behalf, the market committee may employ such officers and servants as may be necessary for the management of the market and may pay such officers and servants such salaries as the committee thinks fit and shall have power to control and punish them. The committee may, in the case of any officer or servant of Government which it employs, pay such pension, contribution, gratuity or leave allowance as may be required by the regulations made by Government in this behalf and for the time being in force.

(2) The committee may also, in the case of any of its officers and servants provide for the payment to them of such leave allowances, pensions or gratuities as it deems proper; and may contribute to any provident fund which may be established for the benefit of such officers and servants.

(3) The powers conferred by this Section on the market committee shall be exercised, subject to any rules which may be made in this behalf by the Government.

10. (1) *Contracts how executed.*—Every contract entered into by the market committee shall be in writing and shall be signed on behalf of the market committee by the chairman and two other members of the market committee.

(2) No contract other than a contract executed as provided in sub-section (1) shall be binding on a market committee.

11. (1) *The Market Committee Fund.*—All monies received by a market committee shall be paid into a fund to be called the "Market Committee Fund" and all expenditure incurred by the market committee under or for the purposes of this Act shall be defrayed out of the said fund, and any surplus remaining after such expenditure has been met shall be invested as may be prescribed in the rules made in this behalf.

(2) Every market committee shall pay to the Government, out of its fund, the cost of any special or additional staff employed by the Government, in consultation with the committee, for giving effect to the provisions of this Act, in the market concerned.

(3) The Government shall determine the cost of such special or additional staff and shall, where the staff is employed for the purposes of more than one market committee, apportion such cost among the committees concerned in such manner as they think fit. The decision of the Government determining the amount payable by any market committee shall be final.

12. *Purpose for which the Market Committee Fund may be expended.*—Subject to the provisions of Section 11, the market committee fund shall be expended for the following purposes only :—

(i) the maintenance and improvement of the market.

(ii) the construction and repair of buildings which are necessary for the purpose of such market and for the health, convenience and safety of the persons using it ;

(iii) the pay, pensions, leave allowances, gratuities and pensions or provident fund contributions of the officers and servants employed by the market committee ;

(iv) the expenses of and incidental to election ;

(v) the acquisition of a site or sites for the market;

(vi) the provision and maintenance of standard weights and measures ;

(vii) the payment of interest on loans that may be raised for purposes of the market and the provision of a sinking fund in respect of such loans ;

(viii) the collection and dissemination of information regarding all matters relating to crop statistics and marketing in respect of the agricultural crops concerned, and

(ix) propaganda in favour of agricultural improvement and thrift.

13. *No Trade Allowance not recognised by Customs or Rules allowable.*—No trade allowance, other than an allowance prescribed by rules or bye-laws made under this Act, shall be made or received by any person in any transaction in a market established under this Act and no civil court shall, in any suit or proceeding arising out of any transaction in any such market, have regard to any trade allowance not so prescribed.

Explanation.—Every deduction other than deductions on account of deviation from sample when the purchase is made by reference to a sample, or on account of deviation from standard, when the purchase is made by reference to a known standard, or on accout of difference between the actual weight of the sacking and the standard weight, or on account of the admixture of foreign matter, shall be regarded as a trade allowance for the purposes of this Act.

14. *Market Committee to be a Body Corporate.*—Every market committee shall be a body corporate by the name of the "The Market Committee of..... .... and shall have perpetual succession and a common seal, and may sue and be sued in its corporate name, and shall be competent to acquire and hold property both moveable and immoveable, to lease, sell or otherwise transfer any moveable or immoveable property which may have become vested in or been acquired by it, and to contract and do all other things necessary for the purpose for which it is established.

15. (1) *Power to Borrow.*—Every market committee may, with the previous sanction of the Government, raise the money required for carrying out the purposes of this Act on the security of any property vested in and belonging to the market committee, and of any fees leviable by the market committee under this Act. The committee may, for the purpose of meeting the initial expenditure on lands, buildings and equipment required for establishing the market, obtain a loan from the Government.

(2) The conditions under which such money shall be raised and the time within which the same shall be repayable shall be subject to the previous sanction of Government.

16. (1) *Supersession of Market Committee.*—If in the opinion of Government a market committee is not competent to perform or persistently makes default in the performance of the duties imposed on it by or under this Act, or exceeds or abuses its powers, Government may, by an order published in the official Gazette, declare such market commiteee to be imcompetent, or in default, or to have exceeded or abused its powers, as the case may be and may supersede it.

Provided that before issuing a notification under this sub-section, the Government shall give a reasonable opportunity to the market committee for showing cause

against the proposal and shall consider the explanations and objections, if any, of the said committee.

(2) When a market committee has been superseded, all members of the committee shall as from the date of the order vacate their offices as members.

(3) When a market committee has been superseded, the Government may, at their discretion, by order, either constitute a new committee under Section 5, or make such arrangements for the carrying out of the functions of the committee as the Government think fit.

(4) When a market committee has been superseded all property and rights vested in it shall, subject to all charges and liabilities affecting the same, vest in Government.

Provided that if the Government make an order under sub-section 3, they shall transfer the assets and liabilities of the market committee as on the date of such transfer, to the new committee constituted under Section 5 or to the person, or persons if any, appointed for carrying out the functions of the committee, as the case may be.

Provided further that if no new market committee is constituted for the market under Section 5, all property that shall remain after the satisfaction of all the debts and liabilities of the superseded market commitee shall vest in the local authority of the area in which the market is situated for the purpose of any object of public utility in the said area.

Any local authority to which any assets have been transferred under the latter proviso shall employ such assets for any object of public utility in the area within its jurisdiction.

17. *No Private Market to be opened in or near places declared to be Markets.*—Wherever the Government has, by a notification under Section 4, declared any place to be a market no person shall, within the limits of such market or within a distance thereof to be notified in the official Gazette in this behalf in each case by Government, except with the sanction in writing of the Government expressed over the signature of a Secretary to Government and subject to such conditions as may be imposed in such sanction, set up, establish or continue or allow to be continued any market for the purpose of the purchase and sale of cotton or agricultural produce as the case may be.

Explanation.—A person shall not be deemed to set up, establish or continue or allow to be continued a place as a market for the purpose of the purchase and sale of cotton or agricultural produce if he sells his own cotton or agricultural produce outside the premises set apart by the market committee for the purpose of purchase and sale of cotton or agricultural produce.

18. *Penalties.*—Whoever in contravention of this Act, sets up, establishes, continues or allows to be continued any market for the purpose of the purchase and sale of cotton or agricultural produce or violates the conditions under which he has been allowed to set up, establish, or continue, any such market, shall on conviction by a magistrate be punished with fine which may extend to Rs. 500 and in case of a continuing breach of the provisions of Section 17, with fine which may extend to Rs. 100 for each day after the first, during which the breach continues.

19. *Offences to be triable only by a First Class Magistrate.*—(i) No offence under this Act or under any rule made under Sention 6 or under any bye-laws made under Section 7 shall be triable by a Magistrate other than a Magistrate of the First Class.

(ii) All fines and damages recovered from an offender shall be paid to the market committee.

(iii) Prosecutions under this Act may be instituted by any person duly authorised in writing by the market committee or by an officer designated by Government in this behalf.

Statement of objects and reasons.

Considering the disabilities under which the cultivator labours in selling his produce, the Royal Commission on Agriculture recommended the establishment of regulated markets as a most "hopeful solution of the cultivator's marketing difficulties." They considered that the establishment of regulated markets must form an essential part of any ordered plan of agricultural development in the country.

The facts elicited during the recent marketing surveys point to the same conclusion. These surveys have shown that owing to the prevalence of uneconomic and fraudulent practice in the marketing of agricultural produce, the

cultivator gets much less than his due share of the price paid by the ultimate consumer. The Marketing Officers' Conference held at Simla in September 1937 accordingly recommended legislation for the establishment of regulated markets in Provinces and States where such legislation had not already been introduced.

A similar recommendation has been made, with reference to cotton in the Chitaldrug District, by a Sub-Committee of the Board of Industries and Commerce in Mysore, which surveyed the conditions of cultivation and marketing of commercial crops in that District. It is believed that the cotton-growers and many of the merchants in cotton in the State also favour such legislation.

It is therefore proposed to introduce the accompanying Bill with a view to the establishment of regulated markets for cotton at Chitaldrug and Davangere, in the first instance. At the same time, the Bill is wide enough in its scope to admit of similar action being taken in other places and in respect of other agricultural produce (including dairy products) should the need and opportunity arise.

According to the Bill, Government may after consulting the local bodies concerned, declare any place as a market for specified agricultural produce. Subject to rules framed by Government, the market will be under the control of a committee in the composition of which the representatives of the growers as well as of the traders in the market will be represented. The Committee will be a body corporate administering the market fund and exercising the powers conferred upon it for regulating transactions, settling disputes, etc.

When a place has been declared as a market, no person may set up, continue or allow to be continued, any private market in the immediate vicinity of the regulated market except with the sanction of Government and on such terms as may be prescribed in such sanction. It is, however, to be noted that this will not preclude the grower of agricultural produce from selling or offering for sale such produce outside the premises of the market.